AP/MM-PFD-Reverting City-Held Retention

EBS ENTERPRISE BUSINESS SOLUTION
People • Process • System

Role	Process Flow
Bureau Accounting Supervisor	Receives copy of final vendor notification letter → Schedule meeting to execute Reverting Retention process → Notify bureau asset accountant & Citywide Fixed Asset Accountant → Identify GL account and cost object – verify cost object open .... Process Complete Notification → End
AP Bureau Processor/ AP Retention Processor	**FV60** — Park credit memo for amount of reverting retainage, block, attach pdf documentation – final vendor letter ; **F-51** — Release amount of reverting retainage, block, attach pdf documentation – final vendor letter * ; * Note – If, in addition to reverting retention, any amount of retainage is to be released and paid to the vendor that amount must be released separately from the amount of reverting retention. Follow the standard process to release city-held retention for amounts to be paid to the vendor.
AP Bureau Approver	**FBVO** — Review credit memo, post if everything is correct. Otherwise delete and start over
AP Accounts Payable Vendor Clearinga	**F-44** — Clear credit memo with released retainage
MM Bureau Buyer or MM Central Buyer	**ME22N** — Add standard reverting retention note to PO/ DPOs → Contract? → No
MM Contract Administrator	Contract? → Yes → **ME32K** — Reduce Retention Released to Date and add Hold Retention to contract. Enter "Retention Reverted" note in Contract Category field

Reverting city-held retention

- Final vendor letter is signed by Principal Engineer and/or Project Manager. Sent after either any legal proceeding filed within 1-year of final payment is resolved or no legal proceeding is filed within 1-year of final payment. Letter should specify vendor, contract, reverting retention amount, and any amount to be released to vendor, etc

- Non-PO credit memo reduces the actual expense in AP, GL, CO and FM (budget) by amount of retainage that is reverting to the City.

- Released retention reduces the liability (retainage payable) in the GL and AP by amount of retainage reverting to the City

- The non-PO credit memo and the released retention creates equal and opposite entries in general payables. The F-44 entry clearings these entries

- If there is a contract, releasing retention increases amount in Retention Released to Date, this is corrected by reducing Retention Released to Date and increasing Hold Retention

- The text messages on the contract and purchase orders document that retainage was reverted per the final vendor letter. Listing non-PO credit memo and released retention document numbers in D/PO message provides traceable link to the entries